

# Kaiser Permanente Proposed 2010 & Beyond Initiatives

## Health Benefits Committee Meeting

October 21, 2008



# Kaiser Permanente & CalPERS Partnership

## Our goal is...

- to work together to show greater transparency levels to CalPERS,
- to demonstrate the value of Kaiser Permanente and what you and your members are getting for your premium dollars, and
- to identify partnership opportunities and show where KP is making improvements

**We will be working with Staff to present and provide updates  
to the CalPERS Board throughout 2008 – 2009**

# Kaiser Permanente Current State

<b>Electronic Medical Health Record – Health Connect</b>	
<b>ePrescribing</b>	
<b>Panel Management</b>	
<b>Disease Management</b>	
<b>Evidence Based Medicine</b>	
<b>CalPERS Specific Reporting</b>	

# Summary of Proposed Initiatives

**In alignment with CalPERS strategic goals KP offers the following initiatives:**

## Proposals for 2010

- Worksite wellness pilot
- Kaiser Permanente Senior Advantage (KPSA) options
  - Modifying current KPSA offering allowing KPSA B only
  - Enhancing benefits to include \$0 preventive care services for KPSA members
- Partnering on legislation

## Additional thinking:

- Driving clinical outcomes to create provider competition – value based purchasing
- Smoking cessation campaign
- Carve-out VSP (eye exam & hardware) for KP State members
- Offer choice and realize savings through implementing hi/low plan design options
- Institute underwriting guidelines for public agencies entering Public Employees Medical & Hospital Care Act (PEMHCA)
- Realize significant savings by eliminating mandatory distribution of Evidence of Coverage booklets (EOCs)

# Worksite Wellness Partnership Pilot

## Using clinical data customize agency specific worksite wellness action plans

- Pilot with state agencies that have over 1,000 basic members with KP
  - No personal health information (PHI) will be shared, but provides deeper level of transparency
- Reporting (Attachment 2 – Partnership in Health Report sample) will include actual clinical results by agency compared to KP's health plan average:
  - Breast, cervical, and colorectal cancer screening rates
  - Immunizations & vaccines
  - Asthma, diabetes, heart failure, and depression treatment, outcomes, and compliance
- Includes having a physician review clinical report with agency executives / Health Benefit Officers (HBOs), Department of Personnel Administration (DPA) to understand variances in population, identify areas in need of improvement, and 1) propose comprehensive work-site plans based on agency needs and resources, 2) work with KP to funnel members for needed services
- Can group report by type of agency, geography, etc. (member's agency code drives reporting)

# Worksite Wellness Partnership Pilot

**After educating agencies on all services available at KP facilities, we can also offer activities and intervention at the worksite. Examples include:**

- Total Cholesterol - This finger stick blood screening will give total cholesterol and HDL (“good”) cholesterol levels.
- Random Glucose - This finger stick screening provides non-fasting blood glucose level to identify possible diabetes or pre-diabetes.
- Blood Pressure - This screening will check blood pressure.
- BMI - This screening calculates the percentage of body fat (out of total body weight) as well as Body Mass Index (BMI).
- Onsite Classes (Stress Reduction, Weight Management, Exercise, Healthy Eating, Smoking Cessation, Back Care)
- Physician talks on health subjects
- Health coaching and counseling

# Kaiser Permanente Senior Advantage Options

## Enrolling Unassigned Members in KPSA / KPSA B Only

Medicare Categories	Total State Mbrs	State Protected	State Non-protected	State Unknown	Total Public Mbrs	Public Protected	Public Non-protected	Public Unknown	Annual State Savings*	Annual Public Agency Savings*	Action Required to Achieve Savings
Has A and B (but not enrolled in KPSA)	154	31	82	41	81	3	61	18	\$1m	\$510k	Requires a regulatory change for protected status members
Has A no B (not currently eligible for KPSA)	217	91	72	54	136	57	51	28	\$865k	\$541k	Assumes CalPERS would purchase Part B on behalf of member and pay penalties. Consideration necessary for purchasing Part B for Public Agencies
Has B no A (Eligible for KPSA B only)	39	38	1	0	45	34	10	1	\$280k	\$323k	Requires contract change to offer KPSA B only. Will partner with Staff on special outreach (KP has special approval from CMS to offer Part B only Medicare Advantage plan)
Has neither A nor B (not currently eligible for KPSA)	1,500	1,373	87	40	539	407	98	34	5.2m	\$2.7m	Requires CalPERS buy Part B and pay for penalties for members to be eligible for KPSA B Only
	1,910	1,533	242	135	801	501	220	81	\$7.3m	\$4.1m	

\* Annual savings are calculated with 2009 rating based off of September 2008 membership. Savings include cost of Part B premium and penalty and assume enrollment in KPSA or KPSA B Only.

# Kaiser Permanente Senior Advantage (KPSA) Options

## Change KPSA Preventive Care Services to \$0 Co-pay

- Change preventive care co-payment to \$0, but retain \$10 doctor office visit co-payment
- Produces more consistency between Basic and Medicare Plans
- Members have questioned why do this for Basic and not Medicare
- Encourages the right member behavior
- We will work with staff during rate negotiation to price this enhancement



# Partnering on Legislation

**KP wants to work collaboratively with CalPERS on legislation to affect positive change**

- Support mutually beneficial bills,
- Oppose those not in mutual best interests, &
- Consider writing appropriate legislation together where need exists

Shows united front publicly

Examples...Balance Billing, Benefit Mandates

## Additional thinking – perhaps not for 2010 but beyond...

- Driving clinical outcomes & creating provider competition
  - Need to drive providers to practice better medicine. Requires fundamental restructuring of payment system. Need to understand within CalPERS population: 1) gaps in care, 2) over-utilization, 3) under-utilization, and 4) poor compliance. Set goals, incentivize good behavior, and measure. Provider competition is more important than health plan competition.
- Smoking cessation campaign
  - Commit to making smoking cessation an organizational priority as it is the leading preventable cause of death in America and driver of significant costs. Require “smoking as a vital sign” from health plans/contracted providers.
- Carve out VSP for KP/State of California members
  - Duplicate eye exam coverage means double paying. Consider carving out VSP for KP/State of California members and purchasing hardware option from KP.
- Retooling benefit offering to offer choice and various price points
  - Whether it's a hi/lo option or something else, CalPERS should consider additional options to give flexibility and choice. Beneficial to maintain public agencies in the future.
- Institute underwriting guidelines for public agencies entering PEMHCA
  - Become the destination place for public agencies; not plan of last resort. Agencies are coming in when they cannot get a better rate outside. Consider what does this do to your risk over time.
- Eliminate mandatory distribution of EOCs
  - Make EOCs available upon request. This can save you approximately \$500k every year.

THRIVE!

IF YOU CAN'T TAKE IT WITH YOU  
**STAY LONGER.**



KAISER PERMANENTE® **thrive** 